

Message Text

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INFO AMEMBASSY ALGIERS

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AMEMBASSY CAIRO

AMEMBASSY DAMASCUS

AMCONSUL DHAHRAN

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY MANAMA

AMEMBASSY TRIPOLI

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DEPT PASS NEA/RLA JAMES MATTSON

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TAGS: ELAB, ECIN, BEXP, KU

SUBJ: OAPEC MANPOWER-RELATED ACTIVITIES

BEGIN UNCLASSIFIED

SUMMARY: OAPEC OFFICIALS ARE TURNING THEIR ATTENTION TO THE AVAILABILITY OF MANPOWER IN THE PETROLEUM SECTOR OF THE ECONOMIES OF MEMBER STATES. SECRETARIAT HAS BEGUN TO CONDUCT PRELIMINARY SURVEYS, AND INTENDS TO PROCEED WITH MORE ELABORATE STUDIES TO DETERMINE DEMAND AND SUPPLY CONDITIONS. STRONG POSSIBILITY EXISTS THAT FOREIGN CONSULTANT MAY BE CALLED IN TO PERFORM THESE STUDIES. THOUGH NATURE OF ULTIMATE PROGRAMS CONTEMPLATED BY OAPEC IN MANPOWER FIELD UNCLEAR AT PRESENT, LIMITED OFFICIAL USE

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FOCUS CLEARLY WILL LIE IN PROVISION OF INSTRUCTORS AND TEACH-

IN MATERIALS. STUDY REPRESENTS GOOD OPPORTUNITY TO U.S.
CONSULTING FIRMS. END SUMMARY.

1. IN DISCUSSIONS WITH MAHMOUD ROUSHDY, SENIOR OFFICIAL IN THE ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC), EMBOFF REVIEWED CURRENT AND FUTURE MANPOWER-RELATED ACTIVITIES OF KUWAIT-BASED ORGANIZATION. OFFICIAL, ON LOAN FROM THE GOVERNMENT OF EGYPT, WHERE HE WAS A HIGH OFFICIAL IN MINISTRY OF OIL, IS RESPONSIBLE FOR OVERALL COORDINATION OF OAPEC EFFORTS IN THIS FIELD, AS WELL AS WITH RELATIONS WITH OTHER ARAB REGIONAL ORGANIZATIONS.

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2. ROUSHDY FIRST PROVIDED THE UNDERLYING RATIONALE OF OAPEC INTEREST. SINCE THE ESTABLISHMENT OF FOUR "SPINOFF" COMPANIES--THE ARAB PETROLEUM INVESTMENT COMPANY, THE ARAB PETROLEUM SERVICES COMPANY, THE ARAB MARITIME PETROLEUM TANKER COMPANY. AND THE ARAB SHIPBUILDING AND REPAIR COMPANY--THE ORGANIZATION HAS GAINED SOME AWARENESS OF THE PROBLEMS INVOLVED IN OPERATING VARIOUS PARTS OF THE OIL INDUSTRY. ONE OF THE MOST CRITICAL, ROUSHDY FELT, WAS MANPOWER AVAILABILITY. IT WAS HIS FEELING THAT THE OIL SECTORS IN THE ARAB COUNTRIES (DEFINING THE OIL SECTOR AS REFINERY AND PETROCHEMICAL INDUSTRIES AND THE OIL TANKER TRADE, AS WELL AS WELL-HEAD AND MANAGERIAL OPERATIONS) WOULD WITHIN NEXT FIVE YEARS BE UNDERGOING SEVERE SHORTAGES. EVEN NOW, ROUSHDY OBSERVED THERE WERE THE BEGINNINGS OF SOME COMPETITION BETWEEN OIL-EXPORTING COUNTRIES FOR SKILLED MANPOWER. IN ONE CASE, THREE GULF OIL PRODUCING STATE HAD REQUESTED FROM THE EGYPTIAN GOVERNMENT SEVERAL REFINERY TECHNICIANS AT THE SAME TIME, A REQUEST WHICH CAUSED GREAT DIFFICULTY AS EGYPT WAS FORCED TO STEP UP ITS TRAINING PROGRAMS TO MEET THE DEMAND. OAPEC THUS VIEWS THE MANPOWER PROBLEM AS A DUEL ONE: ACCELERATING DEMAND AS THE OIL INDUSTRY BECOMES INCREASINGLY "ARABIZED" (ONE ESTIMATE OF TOTAL MANPOWER NEEDS FOR THE OIL SECTOR DURING THE NEXT TEN YEARS IS 500,000); AND THE ADEQUACY OF CURRENT NATIONAL TRAINING EFFORTS TO MEET THIS DEMAND.

3. WHOLE ISSUE CAME UP FOR DISCUSSION AT DECEMBER MEETING OF OAPEC COUNCIL OF MINISTERS. ONE MINISTER WAS REPORTED AS SAYING THAT "WE HAVE CONTROL OF THE OIL INDUSTRY AND THE MONEY, BQT LIMITED OFFICIAL USE

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UNTIL WE SOLVE THE MANPOWER BOTTLENECK, WE WON'T REALLY HAVE FULL POWER OVER OUR OWN AFFAIRS." ROUSHDY INFORMED EMBOFF THAT, AS A RESULT OF ACTION TAKEN AT RIYADH MEETING, HE HAD BEEN CHARGED WITH THE TASK OF OBTAINING PRELIMINARY INFORMATION FROM OAPEC MEMBER COUNTRIES ON THE MANPOWER SITUATION IN THE OIL SECTOR: CURRENT NUMBERS, FUTURE NEEDS, AND IN PARTICULAR TRAINING FACILITIES. TO DO THIS, ROUSHDY WILL BE SENDING TWO OR THREE STAFF MEMBERS TO EACH COUNTRY TO COLLECT THE BASIC

INFORMATION. THE GOAL OF THIS ACTIVITY IS TO DEVELOPE A BASE FROM WHICH ACTION RECOMMENDATIONS CAN BE FORMULATED, FOR PRESENTATION TO THE NEXT OAPEC MINISTER'S MEETING IN BAGHDAD, MAY 3, 1976.

4. ROUSHDY ACKNOWLEDGED THAT CONCLUSIONS AND RECOMMENDATIONS THAT COULD BE FORMULATED ON THIS BASIS WOULD NECESSARILY BE VERY PRELIMINARY, ROUGH SUGGESTIONS ONLY. FOR THIS REASON, ROUSHDY NOTED, OAPEC IS ACTIVELY CONSIDERING HIRING A FOREIGN CONSULTANT TO PERFORM A MORE DETAILED STUDY OF THE ENTIRE DEMAND AND SUPPLY SITUATION FOR OIL INDUSTRY WORKERS IN THE ARAB COUNTRIES, WITH PARTICULAR REFERENCE TO THE PROVISION OF INSTRUCTORS AND TEACHING MATERIALS FOR NATIONAL MANPOWER PETROLEUM INDUSTRY TRAINING CENTERS. AT THIS STAGE ROUSHDY'S STAFF IS ENGAGED IN PRELIMINARY STEPS: DRAWING UP SPECIFICATIONS FOR PROPOSED STUDY, GATHERING INFORMATION ON AVAILABLE CONSULTING FIRMS (IFP, THE FRENCH PETROLEUM INSTITUTE, HAS BEEN CONTACTED TO PROVIDE THE NAMES OF FRENCH CONSULTING FIRMS), AND GATHERING PRELIMINARY INFORMATION ON MANPOWER SITUATION ITSELF, TO PROVIDE THE CONSULTING FIRM WITH A DATAT BASE ON WHICH TO WORK. THIS PRELIMINARY WORK SHOULD BE COMPLETED BY LATE APRIL, AT WHICH TIME, OAPEC SHOULD BE READY TO BEGIN ACTIVE SEARCH FOR CONSULTANT.

5. EMBOFF RAISED POSSIBILITY OF AMERICAN CONSULTING FIRMS, AND ROUSHDY AGREED THAT U.S. FIRMS WOULD DEFINITELY BE CONSIDERED. HE NOTED THAT U.S. FIRMS WERE SUPREME IN THEIR MANAGEMENT CAPABILITIES, AND ATTRIBUTED THIS TO THEIR TRAINING SKILL.

HE THEREFORE WANTED EMBASSY TO PROVIDE HIM WITH ANY INFORMATION OF CONSULTING FIRMS WHO MIGHT BE INTERESTED, IN OAPEC STUDY.

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6. COMMENT: THOUGH ROUSHDY INDICATED THAT OAPEC WAS AWARE OF INTER-ARAB COMPETITION FOR MANPOWER FROM ARAB (I.E. EGYPTIAN) AND NON-ARAB SOURCES, OAPEC APPARENTLY HAS NO PLANS AT THIS TIME TO DIRECTLY TACKLE THE TRICKY ISSUE OF MANPOWER COORDINATION. CURRENT PREFERENCE IS TO CONCENTRATE ON EXPANDING THE MANPOWER POOL BY IMPROVING THE PERFORMANCE OF NATIONAL MANPOWER TRAINING CENTERS, THIS TO BE DONE BY PROVIDING TRAINED INSTRUCTORS AND NEW TEACHING MATERIAL. IT IS INTERESTING THAT OAPEC STRATEGY APPEARS TO PARRELLEL GOK THINKING ON MANPOWER PROBLEMS, WHERE THERE TOO THE EMPHASIS LIES ON TRAINING OF INSTRUCTORS.

7. AT PRESENT, OAPEC IS NOT NOW PLANNING TO SET UP ITS OWN

ACADEMIES FOR MANPOWER TRAINING, THOUGH THERE REMAINS THE POSSIBILITY THAT IT WILL DO SO FOR THE TRAINING OF INSTRUCTORS. OAPEC, HOWEVER, DOES ADMINISTER AD HOC TRAINING COURSES IN OIL INDUSTRY AFFAIRS: IN OPERATION NOW IN KUWAIT IS A TWO-MONTH TRAINING COURSE FOR RECENTLY GRADUATED ENTRANTS INTO OIL MINISTRIES AND NATIONAL OIL COMPANIES OF MEMBER COUNTRIES, AND IN A SHORT TIME, OAPEC WILL HOLD IN KUWAIT A TWO WEEK SEMINAR FOR MANAGEMENT IN THE OIL INDUSTRY. MOREOVER, AT LEAST ONE OF THE SPINOFF COMPANIES, THE ARAB MARITIME PETROLEUM TRANSPORT COMPANY, IS PLANNING TO SET UP THREE ACADEMIES FOR THE TRAINING OF OIL TANKER OFFICERS AND CREWS AT BASRA, DOHA, AND JIDDA (AMPTC ACTIVITIES ARE BEING REPORTED BIA SEPTTEL). IN ANY CASE OAPEC OFFICIALS PLAN TO RETAIN CONTROL OVER PROJECTED MANPOWER STUDY AND ACTIVITY THAT DEVELOPES FROM IT. WHEN EMBOFF ASKED ROUSHDY ABOUT POSSIBLE COOPERATION IN MANPOWER FIELD WITH SUCH ORGANIZATIONS AS THE ARAB LABOR ORGANIZATION OF THE ARAB FUND FOR ECONOMIC AND SOCIAL DEVELOPEMENT, HE REPLIED THAT THESE ORGANIZATIONS HAD DIFFERENT ORIENTATIONS--THE ALSO BEING TOO THEORETICAL AND IDEOLOGICAL, THE AFESD TOO CONCERNED WITH NON-OIL AREAS. ROUSHDY FELT THAT IT WAS IMPORTANT FOR OAPEC TO RETAIN CONTROL OVER AT LEAST THIS PHASE OF MANPOWER EFFORT.

8. ACTION REQUESTED: POTENTIAL FOR CONSULTANCY PROJECTS WITH OAPEC SHOULD BE OF SOME INTEREST TO U.S. CONSULTING FIRMS. REQUEST COMMERCE/CAGNE, AMEMBASSY ATHENS AND TEHRAN TO CIRCULATE

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INFORMATION OF OPPORTUNITY TO AMERICAN CONSULTING FIRMS HEAD-QUARTERED IN THEIR AREAS. EMBASSY ALSO AWARE THAT RLA JAMES MATTSOON POSSESSES INFORMATION ON PRIVATE CONSULTING FIRMS AND ORGANIZATION IN LABOUR/MANPOWER FIELD (AND PARTICULARLY IN THE FIELDS OF TRAINING), AND REQUESTS THAT THIS INFORMATION BE SENT TO EMBASSY KUWAIT FOR TRANSMITTAL TO MR. ROUSHDY. MAU

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